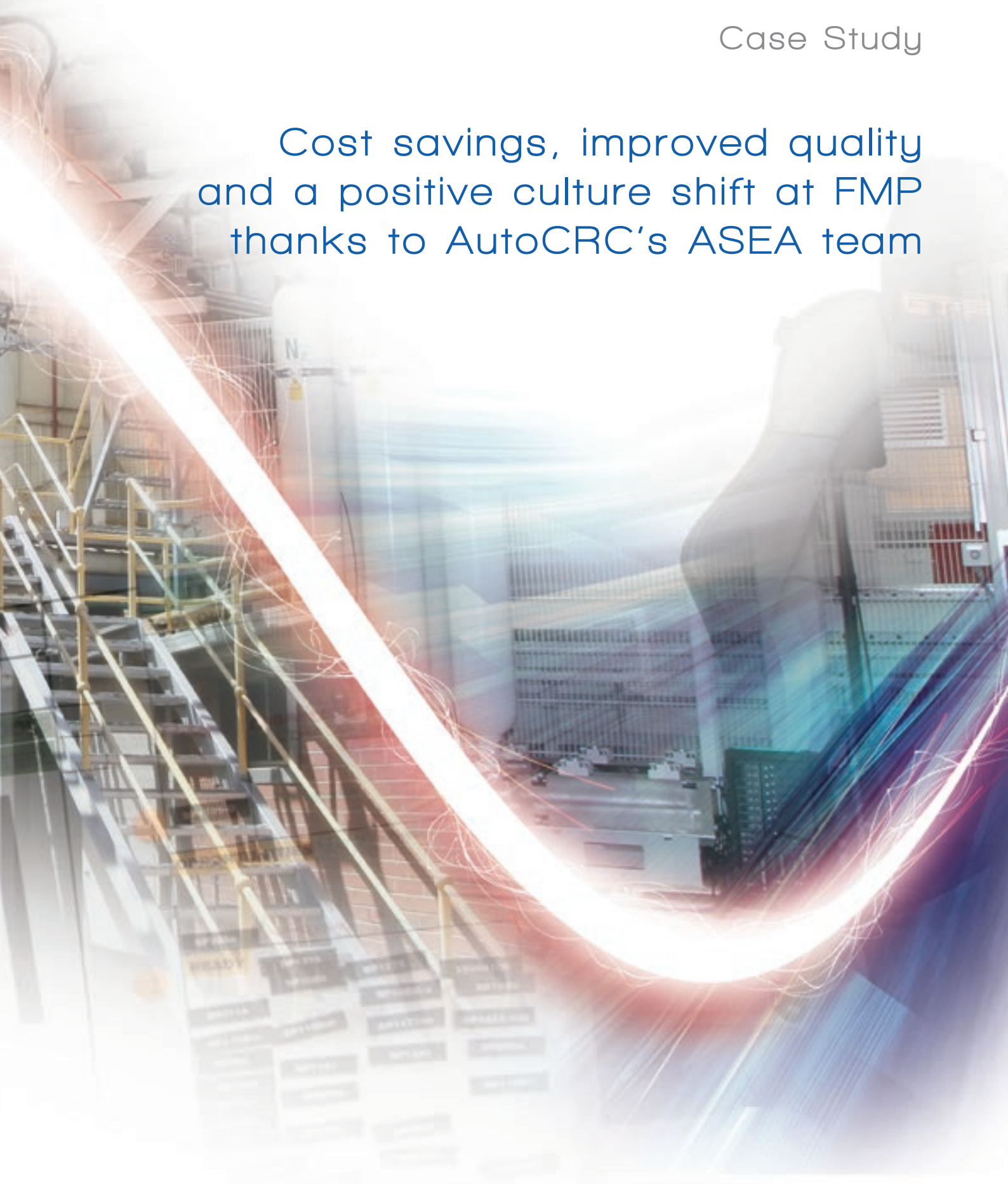




Case Study

Cost savings, improved quality
and a positive culture shift at FMP
thanks to AutoCRC's ASEA team



FMP going from strength to strength, with assistance from AutoCRC's ASEA

- *Thorough 'whole of company' needs analysis by ASEA*
- *Lean manufacturing approach*
- *Improved quality and cost savings*
- *Positive culture shift and effective team work*

FMP Group (Australia) Pty Ltd is the largest automotive friction material manufacturer in Australia.

"We manufacture and distribute automotive friction material," says FMP's General Manager Graeme Dixon, "predominantly disk brake pads but also truck brake linings for the passenger and commercial vehicles market in Australia and for export.

"Our products are marketed under the Bendix brand name and we supply into two main market segments, the Original Equipment Manufacturers and the replacement market, both here and overseas.

"We supply, for example, GM Holden for the VF Commodore, as well as GM for their Camaro." We also supply Original Equipment Spares to GM Holden, Ford, Toyota, Isuzu and Mazda Australian and Japan.

Based in Ballarat, FMP was established in 1955, and is today one of the largest businesses in regional Australia.

The company has 260 employees and is a joint venture between Honeywell International in the US and Robert Bosch in Germany.

The company has gained tremendous benefit from its association with AutoCRC's Business Excellence Division, ASEA.

"ASEA began working with FMP in 2009 and we've been very fortunate with the support that they've provided to us," Graeme Dixon says.

"We've completed around 15 projects with them in a number of different areas.

"The most significant ones as far as benefits are concerned have been the TPM (Total Preventative Maintenance) program, and the reduction in electricity usage program.

"There have also been a lot of other programs around SMED - Single Minute Exchange of Dies. This is all about quick set up of equipment and tool changeover.

"ASEA has also done considerable work with us in the area of Lean, looking at various aspects of our production line.

"In particular, they've helped us in our warehouse distribution facility and also with our manufacturing costs, as well as looking at how we can further improve our production layout to drive efficiencies and productivity gains," he says.

What kind of benefits has FMP received from ASEA's work?

"Peter Taylor and Linsey Siede of ASEA have been very professional in their approach. From the start they clearly wanted to understand what our business needs were and then tailored a program that supported our operations.

"Initially, they undertook a holistic total company assessment that looked at how we compared across a range of three hundred questions, and fifty two metrics which were summarized into eleven competencies that make up the comprehensive benchmark report.

"And those results determined how we needed to improve our operational efficiency.

"From that initial assessment a range of projects were identified. We had to establish a pretty rigorous regime to support the work that was required from each project.

"The details of the project and what the intended outcomes were, was put into a project scoping pro-forma schedule that was signed off by everybody.

"Through ASEA'S funding, coaches were provided and in every aspect we found they were extremely easy to work with.

"They were very experienced, took a 'hands-on' approach, and brought a lot of ideas to the table.

"Most importantly the coaching included the development of our people. One of the worst things that we could have been faced with is that somebody came in, did the work, and we didn't really have the experience and skills to carry on.

"So I guess the key thing out of all the projects is a legacy has been established that people can continue to develop and use within the business.

"It was fantastic how our people picked up new skills and applied those across the business.

"We were able to identify dollar cost savings in a vast number of our operations in such areas as reduced energy use, the TPM projects where, for example, we were able to develop KPIs around machine uptime to show progressive improvement.

"In the Lean programs the ASEA work done with our people has delivered a number of benefits including improved morale within the organisation," Graeme Dixon says.

"A good example of this improved morale is in regards to the TPM project.

"There had been a type of, perhaps, disconnection occurring between our maintenance unit and machine operators on the shop floor.

"There was a 'gap' in the sense that those on the shop floor would request support and this was not always expeditiously available.

"This might manifest itself in an issue with a machine supposedly being rectified, only for the

problem to re-occur shortly afterwards.

"The ASEA TPM program has brought about a complete turnaround on this issue.

"Our maintenance people and the shop floor have become part of the same team.

"Problems and issues were keenly listened to and both groups worked together efficiently to resolve the difficulty.

"We found in many cases that operators were actually coming in earlier to find out what improvements were being made. And then reporting back to the maintenance people on how good the changes had been.

"So it really did bring two groups of people much more closely together.

"A new symbiotic relationship came about, camaraderie if you will, between our maintenance people and the shop floor.

"What brought about this significant transformation was the training program. ASEA took our people through a process of identifying the problem, how would you go about solving it, teamwork, use of different lean methodologies, fishbone diagrams, etc to help understand the issues, to make sure they were recorded and the results were being updated.

"And people were involved. When we had the feedback exercises we had maintenance guys standing up and reporting on what they had achieved. They were so proud of what they did, recognizing the improvement in the relationships. In fact there was such a groundswell of support for the changes achieved we had them deliver these at a group session.

"So it was a very positive experience," Graeme Dixon says.

ASEA Program Manager Peter Taylor says, "At the end of the preventative maintenance project the team presented the results achieved, so their contribution and accountability were acknowledged.

"The FMP people were getting affirmation on the improvements they implemented and it was great to see their very positive response."

"In the initial program," Graeme Dixon says, "we basically trained two of our key maintenance people on a new piece of equipment, a four million dollar press from Austria.

"The benefits of the training became infectious. We had other people in the maintenance department saying 'when are we going to be trained in the process'.

"As I say, quite a radical change in the culture within our organisation, again thanks to ASEA.

"Our people had developed the enthusiasm and the 'want' to be able to improve their skills.

Peter Taylor says, "The morale change as a result of these projects was very much a shift in culture. This wasn't the intent of the project, but it was a by-product of the coaches that we use and how the innovative management at FMP work together."

"The whole turnaround in attitude and approach within our business has just been wonderful to see."

And the overall benefit for FMP?

"The work that has been done for FMP," Graeme Dixon says, "has produced considerable benefits in improved relationships, the morale, teamwork, etc.

Says Peter Taylor, "We would estimate that the benefit to the company would be at least three or four times the cost."

"Being in country Victoria," Graeme Dixon says, "is in some ways a bit of a challenge, to get access to the types of programs that ASEA has been offering.

"We couldn't have been able to do these programs on our own as we would not have known where to start.

"The support that ASEA has given us has been just fantastic.

"The most important thing for us after the ASEA people have gone is we can continue to run with the programs and changes which have been put in place. And this remains an ongoing opportunity and challenge for the business.

"I'm very pleased to say that we have been able to build on the work that has been started through ASEA," Graeme Dixon says.

"We've just commenced a new project with ASEA in relation to diversification of markets, looking at shortening the lead time for bringing a new product to market.

"We're very much looking forward to working on this new program.

"Our association with AutoCRC's ASEA team has really been a success story for us."

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